

**SMALL GRANTS PROGRAMS
AND COMMUNITY BUILDING**

**CONSIDERATIONS FOR
EMERGING INITIATIVES**

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Table of Contents

I.	Small Grants Programs: Theoretical Context and Practical Considerations	1
II.	Organizational Development and Capacity Building Considerations	4
	Organizational Development	4
	Capacity Building	7
	Evaluation Planning	9
III.	Lessons from Small Grants Programs	10
	Community Foundation of Silicon Valley	13
	Community Foundation of Greater Flint	15
	Glendale Neighborhood Partnership	17
	Lessons Learned	18
IV.	Conclusions and Recommendations	21
	References	23

Small Grants Programs and Community Building¹

Although small grants programs alone are largely incapable of mitigating the myriad social and economic problems affecting marginalized urban neighborhoods, they are an effective strategy to promote increased community participation, resident leadership, and organizational development. These programs generally target small neighborhood organizations and voluntary associations and are seen as a way to promote increased participation in and ownership of community activities – necessary components for building social capital.

Often small grant programs require creating new organizational structures to facilitate both community engagement and resident-driven grantmaking. The level of support for organizational development and capacity building provided by funders and sponsors of small grants programs varies, and the challenges for both newly emerging organizations and loosely affiliated voluntary associations are many.

This paper examines a range of operational and organizational development considerations that an emerging small grants programs may face. It offers a framework for thinking about small grants programs as a frontline approach to building the capacity of community institutions and residents to more fully contribute to the improvement of their neighborhoods.

The paper is framed by a brief examination of the prevalent social theories that have influenced the small grants models, with an emphasis on institution-building within a community revitalization and neighborhood transformation context. Section II explores institution-building issues that have bearing on small grants programs and foundations that support them. It is organized under three categories: Organizational Development, Capacity Building, and Evaluation Planning. Section III examines selected small grants programs and discusses lesson learned from these programs. Conclusions and recommendations are found in Section IV.

I. Small Grants Programs: Theoretical Context and Practical

The application of Robert Putnam's work on *social capital* (1995, 1993) to community development in low-income areas in the U.S. has placed considerable emphasis on "building community" and "civic capacity." Programmatically, much of this work falls under the rubric of asset-based community development, where the focus is on stimulating resident and community self-determination and action and shifting the approach away from a needs-based model to one of asset identification and development.

¹ This paper draws substantially from *North Lawndale Small Grants Initiative: Evaluation Planning Assessment*, a report prepared for the Steans Family Foundation by Marcia Kingslow and Lisa M. Pickens.

Putnam argues that the absence of social capital is a primary contributor to the social dislocation and uneven development found in low-income areas. While a number of indicators of social capital are identified, perhaps most applicable to the work of small grant programs is the presence of *voluntary associations*. The level of participation in these associations and other forums for community interactions and evidence of social networks that allow people to pursue common objectives are essential. Implicit in communities with high levels of social capital is a high degree of trust and communication, which results in stronger connections that ultimately promote responsive economic and social systems. An important thesis in Putnam's work is the idea that social capital is built in two ways: (1) through connections between people and groups who know each other and already have relationships; and (2) through connections between those who do not. This implies connections within and across communities, as well as linkages to institutions and systems within a broader local or metropolitan area.

This latter distinction is a key concept to emerge out of the application of this work to low-income communities. It is not enough to build social capital *within* communities; without sufficiently strong connections to *outside* institutions and resources, the impact on community development will be marginal. Temkin and Rohe (1998) expand this latter concept to suggest that strong social capital networks afford greater opportunities for the various neighborhood stakeholders to act on common interests and influence the depth and breadth of interactions and communications between the neighborhood and the broader community or metropolis. However, the quality of these external connections – and hence, the viability of overall community development – is an integral function of the quality of internal connections and bonds that exist within the neighborhood. In the final analysis, it is argued, communities with significant levels of social capital and civic engagement are more likely to thrive, and that a primary role of community building is to strengthen the processes and mechanisms that facilitate greater internal and external social linkages.

The challenge, of course, is how to build and organize social capital in communities that have experienced considerable outmigration of human, economic, and political resources. The asset-based community development approaches, such as that developed by Kretzmann and McKnight (1993), suggests that despite obvious resource deficiencies, inner city neighborhoods possess a range of assets, skills, and capacities that are typically undervalued in conventional service provision and development models. Part of a social capital building exercise is to identify and mobilize these assets through processes that engage more community members, create a common vision and voice through which to express community preferences and objectives, and develop relationships with external entities to leverage the resources needed to meet these objectives.

Perhaps more than community-based organizations (CBOs) or community development corporations (CDCs), voluntary associations are recognized as the most promising institutions through which to mobilize and build social capital. Voluntary associations are groups of local citizens that have come together because of a common vision or interest. A range of institutions fit this characterization, including those that are formally structured (such as business

associations, church groups, block clubs, sports leagues, or political clubs) to less structured, perhaps unnamed associations (such as a group of women who make quilts, a small group of gardeners, or a groups of people who jog together). Voluntary associations may or may not have nonprofit, tax-exempt status. Sometime visible, sometimes less known, voluntary associations are quite present in inner city neighborhoods. Kretzmann and McKnight, for example, identified over 250 voluntary associations in the Logan Square community of Chicago, and suggest that this is not atypical of these types of neighborhoods.

Voluntary associations may have staff, though they are often run by the volunteers. They may have a tight or loose governance structure. They may be an ad hoc or long-standing group. Typically, these associations are locally focused. Although some local associations may be connected to broader networks, established organizations rarely know about or are connected to these groups. Generally, their members are extremely committed to their communities. The importance of identifying these associations, their objectives and capacities, and incorporating their vision and participation in broader community development objectives is implicit in much of the community building literature. Unfortunately, the programmatic emphasis often, though not always, falls on recognized, more established organizations.

The emergence of small grants programs is an attempt to build an infrastructure that supports the work of small, voluntary neighborhood associations, as well as strengthens their capacity to more fully participate in and influence community activities. Small grants programs are not the only way to engage small neighborhood organizations, but they are effective vehicles for serving multiple needs and objectives. Many small grants programs have been developed by community foundations – institutions that, because of IRS regulations, are geographically restricted in their grantmaking, and which historically have devoted marginal resources to low-income neighborhoods, compared to mainstream civic and charitable giving interests. Small grants programs developed as one way for community foundations to change this pattern. They have attracted the attention of other types of philanthropic and funding agencies. Neighborhood-based small grants initiatives offer several benefits to foundations. They allow them to geographically concentrate their resources in a given area and build sustaining relationships with a new set of institutions and community members. They provide a level of visibility and public good will that is generally unrealized by making small numbers of large grants to mainstream institutions. Small grants programs also help build a credible network of grantseeking organizations necessary for sustained community development.

More importantly, small grants initiatives convey significant benefits to the target neighborhoods and voluntary organizations. For many voluntary organizations, particularly those without 501(c)3 designation, small grants programs are the only significant source of external funding. These grants are often perceived as a "seal of approval" by other funding sources that ordinarily would not support such organizations. Small grants programs support needs and activities that are often ignored in low-income neighborhoods, such as small physical improvements, crime prevention, and beautification projects. They also provide mechanisms to connect residents and community institutions to one another, and ultimately to broader community objectives. Small

grants programs generally include well-developed technical assistance components that help build the capacity of neighborhood groups in a variety of ways, including organizational development, leadership development and along programmatic lines. Small grants programs that have an explicit objective of promoting resident-driven development often have strong community organizing and mobilization components. This promotes community influence in civic agendas and the disposition of public funding streams. This is especially effective when coupled with a strong political agenda. Ultimately, these programs help promote a higher quality of life for residents that actively and collectively participate in decisions affecting their neighborhoods. Because of this increase in human and social capital, neighborhoods themselves are transformed and more disposed toward improvement, growth and development.

II. Organizational Development and Capacity Building Considerations

This section examines salient institution-building issues and considerations that have bearing on the development, operation and evaluation of small grants initiatives. It is organized under three categories: (1) Organizational Development, which includes issues of mission, governance, and operations; (2) Capacity Building, which examines a number of issues related to institution building, technical assistance, and accountability; and (3) Evaluation Planning, which looks at evaluation, documentation, and self-assessment issues. This section is based on findings from an assessment conducted by Kingslow Associates for the Steans Family Foundation of a small grants program in a low-income neighborhood in Chicago. Because the assessment was for internal planning purposes, specific program references have been eliminated.

Organizational Development

Small grants programs have garnered a high level of enthusiasm across multiple stakeholders, grantseekers, and funders. These programs are viewed as a valuable way to build community visibility and strengthen connections to residents. They also allow foundations and their partners to have a better read on neighborhood activities, putting them in a better position to help direct additional resources toward the broad range of community needs. Small grants are a vehicle to identify existing and new leaders and develop creative problem-solving networks.

MISSION AND GOALS. The creation of a new institution is fraught with many challenges. Small grant programs are no exception. Not only must new institutions establish governance and operational infrastructure; they must also determine the essential goals and objectives that these systems will ultimately support. To this end, it is critical that self-assessment occur early in the organization's development, particularly if the small grants program evolves from activities that have changed or expanded. The importance of having an explicit *mission statement* that includes well-formulated goals and objectives and processes for achieving them cannot be underscored enough. This provides the glue that bonds stakeholders to a common vision. The exercise of formulating the goals and objectives offers a chance to address program, staff, board and stakeholder considerations and draws lessons from previous experiences. Without clarity of

purpose and consensus on their direction, developing institutions often struggle with marginal accomplishments that are more fortuitous than strategic, causing them to miss many opportunities along the way. Within the framework of neighborhood-based small grants programs, several additional elements affect the determination of mission and goals.

Leveraging Connections to Broader Neighborhood Activities. Many small grants programs strive to be collaborative efforts and encourage grantseekers to establish connections with other institutions in their neighborhood. However, many resident-driven initiatives need help developing networks with other neighborhood activities. Having an awareness of other work being undertaken by sponsors or funders of small grants programs is important from a number of standpoints. (1) It helps clarify the program's mission and purpose and provides a broader context for understanding their work, such as the importance of building strong social capital as a frontline activity in comprehensive community development. (2) It elevates the energy and prestige of small grants program participants to know that their initiative is connected to something big. (3) It facilitates increased synergy, innovation, and partnership as wider and deeper community connections result from knowing more about what is going on in the neighborhood.

Ownership. Small grants initiatives often espouse giving primary ownership and responsibility for grant distribution to local residents. There are several operational and capacity building considerations related to ownership of a new institution. Additionally, the issue of ownership raises a number of questions about the role of that foundations and sponsors play in this process. Indeed, it is a delicate balance for a sponsoring organization to vest control and ownership of an initiative in a newly-formed organization. For example, how does a foundation provide the support services necessary to develop an institution, while at the same time allowing enough space for it to develop its own identity? It is even more challenging to do this without appearing too detached or removed or too patronizing. It is important that small grants programs have a clear sense of what they needs during the developmental stage and what the sponsor is capable of providing. It is also important that the foundation convey its commitment to helping small grants programs build the capacity and structure needed to function effectively as an independent organization.

Program Objectives. Many small grants initially focus on beautification projects. This raises several questions. While there is general consensus on the value of beautification efforts, the social capital building benefits derived from this activity are less apparent than the physical development benefits. Efforts that more directly impact the social fabric may not always receive a similar level of support. Small grants programs often need assistance reaching other types of organizations and promoting the development of other types of projects, including those that promote community organizing and resident mobilization, as well as other community building strategies. Distinguishing between strategies that recognize and reward "good work" and those that help organizations move to the next level are essential considerations.

Target Population. The focus on beautification also prompts questions about the intended beneficiaries of small grants programs. Beautification projects may be perceived as primarily serving homeowners. Indeed, there is strategic value in efforts aimed at stabilizing homeownership in low-income neighborhoods. However, this can be problematic in communities that are comprised primarily of renters and absentee owners.

Types of Organizations Supported. Small grants programs are a way to galvanize the participation of small, emerging organizations and voluntary associations, particularly those without formal nonprofit status. Funders must reconcile the guarantees implicit in supporting more established organizations – organizations with substantial staff, budgets and the like – against the objectives of building the capacity of emerging groups and creating resident-driven networks. Theoretically, the small scale of mini-grant programs should not attract mainstream organizations; but in times of fiscal uncertainty they do. This problem may be exacerbated as small grants programs grow and/or distribute larger grants. Foundations should consider addressing the needs of larger organizations and providers through other programs and allow small grants programs to remain focused on smaller voluntary associations.

GOVERNANCE AND OPERATIONS. In addition to developing organizational goals and objectives, newly created small grants programs must establish operational protocols. There are a number of challenges associated with building an institution at the same time that it is running programs. Often emerging programs require different operations, procedures, staffing and committee structures than those initially conceived. Determining the appropriate organizational structure and operational supports is contingent on having a firm handle on the mission and aspirations of the institution. It is important to develop clear lines of authority and responsibility for the committees and advisors associated with small grants programs, as is the need to achieve broad community representation and technical capacity within these bodies. It is also important to ensure that various committees and subcommittees have clear charges and that they are well integrated into the primary policy and decision making arms of the small grants initiative.

Staffing. It is sometimes assumed that small grants programs can thrive on volunteer power alone. This is not so. In addition to managing ongoing operations, staff support is required if volunteer-driven committees are to function effectively. Directors of small grants programs often assume a broad and complex mandate and must balance multiple organizational development, grants administration, outreach and social capital building responsibilities. It is also important that clear lines of authority and accountability be established, as well as procedures to guide the smooth working relationship between board and staff. In most structures, the chief operating officer is accountable to the board of directors at a policy level, but has considerable authority over operations. Small grants program advisors must determine the degree to which they will be engaged in operations in the early stages of institution building. It is critical that sufficient systems and procedures are in place to ensure that business is carried out efficiently and information flows smoothly within the small grants structure. This includes documenting meetings and distributing, reviewing and approving minutes of meetings.

Grant Distribution Process. It is essential to develop criteria for evaluating grant applications and procedures to guide the review process. It is important to make the process systematic and equitable, and to convey this to grantseekers and community partners. Standards should be developed to guide the grant review process and assess scoring.

Capacity Building

Community development efforts that put emphasis on community engagement and capacity building do not necessarily yield speedy results. They are, by nature, protracted, time- and labor-intensive endeavors. The benefits of these efforts are often overlooked in the face of critical quantifiable results – such as more jobs, better achievement scores, improved health outcomes – and the need for timely indicators. Balancing the benefits derived from investing in capacity building against the need for more immediate results is the essential challenge in these sorts of initiatives. Implicit in this is the need for advisors, sponsors and other supporting players to find the right mix of nudging an initiative forward and not letting it flounder under the burden of "process."

There is often an urgent need to make the community building process less time consuming, particularly in communities faced with development pressures. Finding the correct balance between strengthening the social base for long-term change and having the critical mass of constituents needed to influence more immediate neighborhood decisions is a considerable challenge. Capacity building needs may exist at different levels across and within small grants programs. This might include: (1) the organizational capacity of small grants programs to function as independent grantmaking institutions; (2) the ability of the small grants programs to function as integral parts of the broader community revitalization strategies; and (3) the technical and organizational capacity of grantseeking groups.

Many small grants programs utilize advisory committees made up of committed community members who often possess diverse professional credentials and/or community experiences. However, tensions often arise around the extent to which people's skills should be recognized and tapped. The idea of "keeping the process simple" may, on the one hand, appear to lessen the burden on committee members. On the other hand, it deprives the small grants program of the full range of capacities at its disposal, minimizes the potential to further build capacity, and keeps the bar artificially low. A thorough assessment and documentation of the skills and experiences held by advisors is useful to understanding where there are gaps in capacity and where there is sufficient internal expertise to meet its strategic objectives. It will also help ensure the appropriate complement of staff, advisors and consultants.

At the grantee level, it is important to increase the organizational skills of grantees interested in competing for small grants programs, as well as to connect them to technical expertise in certain program areas. A survey of grantees' skills and talents is a good first step toward developing peer-to-peer learning and other opportunities to build residents' capacity. Additional issues related to building the capacity of grantseekers include providing access to technical assistance

programs and equipping grantseekers with the skills necessary to compete in mainstream funding circles. Another related concern is whether small grants programs should promote the widespread conversion of small, voluntary organizations and resident groups into formal 501(c)3 organizations, or whether the small grants programs should serve as or work through intermediary organizations that can act as fiscal agents for these groups.

RESEARCH AND INFORMATION NEEDS. In order to develop effective policies and make wise decisions, institutions need ready access to good information. Building the technical capacity of small grants programs in this regard is critical. For example, it may be useful to know how grants are geographically distributed throughout the community by program area. One may want to compare this information with other databases of activity in the target community, suggesting the need for integrated systems or, at the very least, compatible databases. It may also be useful to create a database of sources of technical and organizational development assistance for use by both small grants programs and their grantees. Devising techniques to assess the outcomes of existing grants against small grants program objectives on an ongoing basis will require that management information systems be developed.

ACCOUNTABILITY. Tangentially related to the issues of institutional capacity and organizational development are a number of considerations related to the needs and responsibilities of sponsors and funding partners. As discussed in the following section examining other small grant programs, many of these programs are sponsored by foundations that retain control over the initiatives (for a variety of reasons, not the least of which are legal requirements). This does not necessarily detract from the sponsor's community building and resident-empowerment objectives. It does, however, provide a higher level of accountability to its funding partners and other foundations that may be less willing to support these efforts without the sponsor's intimate involvement. Care must be given to mediating these interests – promoting community-controlled, resident-run initiatives and leveraging investments from other funders.

Another accountability issue concerns foundations' expectations of small grants programs to advance broad program objectives. For example, a major funder may include support of a small grants program as part of a larger community building or community revitalization initiative, with the expectation of demonstrating and/or replicating the small grants model. To this extent, it may include support for documentation and evaluation to facilitate its learning. There needs to be clear buy-in on the part of the small grants implementer to their role in facilitating the funder's objectives. These activities support the capacity building objectives of the overall initiative and also provide a vehicle to help funders gauge the return on their investment.

Additionally, in terms of the accountability of an initiative to its sponsors, it is critically important that sponsoring organizations develop effective ways to monitor initiatives and satisfy the need for accountability through processes that are separate from those designed to build institutional capacity or provide technical assistance. For example, a foundation may underwrite the support of a coach or key advisor to work closely with a project. The success of the relationship between the coach and the project is based on the degree to which project

practitioners believe that the coach is a trusted, neutral party. Of course, perceptions are influenced by the financial terms of the engagement. However, if project staff perceive the coach's primary role to be a conduit of information to the sponsor, the quality of the capacity building or technical assistance exercise almost always suffers. This may be even more problematic when the sponsoring organization attempts to take on the coach or primary advisor role itself, since it will never fully be perceived as abrogating its funder responsibilities.

Evaluation Planning

Because the creation and development of small grants programs are process-intensive and iterative, discretion should be used in determining when to evaluate them. There are, however, a number of things that can be done early on that will support evaluation activity in the future, not the least of which is developing an understanding and appreciation of the value and importance of evaluation. There are many types of evaluations (e.g., process, outcomes, and impact evaluations) and many evaluation strategies (including those that engage stakeholders, practitioners, and program participants in the design, implementation, and review of the evaluation process). Evaluation can be integrally tied to strategic planning exercises in which the evaluator's role is less about rendering judgment than it is about helping organizations find effective ways to determine if they are on track and how to modify plans based on emerging lessons. Often this involves building the capacity of the organization to conduct its own evaluation, or self-assessment – hence, demystifying the evaluation process. Some of the more progressive evaluation approaches frame the exercise in the context of tangible need-to-know criteria that inform program planners' ongoing need for information and self-assessment, and where the *process* of achieving outcomes is as important as the outcomes themselves.

Reconciling the evaluation objectives of a small grants program with those of its primary funding partners is critical. Evaluations often have multiple audiences with differing needs. It is important not only to balance the needs of various interests, but also to develop methodologies that accommodate these interests. This might include participatory models that engage practitioners and program participants in the evaluation's design, data collection, analytic, and reporting processes, as well as more generally accepted methodologies that allow funders and policymakers to draw credible conclusions about a program's effectiveness. This latter point is particularly important for demonstrations. Finding the right balance and appropriate methodologies is a challenging, but extremely rewarding, process.

Specific evaluation concerns to consider, in addition to those dependent on the organizational development issues raised above, include:

- determining the units of analyses (organizations, families, blocks, neighborhoods, etc.);
- establishing community, institutional, and grantee baseline data;
- setting up systems and criteria to measure the progress of grantees and the impact their work has on their neighborhoods;
- establishing benchmarks, work plans, and timetables to help monitor the progress toward

- overall program objectives;
- establishing processes to learn from the initiative's successes and failures;
- determine the extent to which internal evaluation capacity will be built within small grants organizations and within grantee organizations);
- dedicating staff and committee time to focus on evaluation, and
- connecting the small grants evaluation to those of other neighborhood developments.

DOCUMENTATION. Documentation involves more than simply keeping minutes of meetings (although minutes are useful documents to include and need to be taken regardless). Project reports, staff reports, and other information ordinarily prepared should be supplemented by information specifically generated for documentation purposes. Some of this information will be required to support evaluation, while other information will better serve self-assessment needs of small grants organizations. Under the right methodology, much of the information can (and should) support both needs.

The *processes* of specific activities should be fully documented, such as peer review processes, strategic planning exercises, staff and board development, outreach and recruitment campaigns, training and technical assistance, and institutional partnerships. Techniques for maintaining contact with current and past program participants should be developed. Documentation activities may sometimes be merged with other organizational objectives. The point of documentation is not to generate paper; rather, it is to create a record of events and processes that will provide a framework for ongoing self-assessment and learning, both within the small grants program and by others.

SELF ASSESSMENT. As small grants programs evolve, it is important to develop processes and formally structure time to reflect upon activities and experiences and the lessons learned from them. Self-assessment should become an integral activity that contributes to and benefits from other monitoring activities, as well as provides the basis for more strategic, long-term planning. Self-assessment should focus on the range of activities in which the institution is engaged, such as outreach, grantmaking, program planning, policymaking, capacity building, external connections, partnerships, etc. Opportunities for self-assessment should be structured activities and not tagged on to regular business meetings. Additionally, methods should be developed for capturing and disseminating lessons throughout the small grants network.

III. Lessons From Small Grants Programs

The concept of supporting resident-led projects in low-income communities has attracted increasing attention within philanthropic circles in recent years. Growing out of the work pioneered by community foundations, the idea of supporting voluntary associations and small organizations within a target neighborhood is increasingly being viewed as an acceptable means of building social capital and supporting community objectives. These initiatives are often referred to as mini-grants, neighborhood grants or small grants, and they allow grantmakers to

augment their support along specific program lines while encouraging widespread participation by the range of community stakeholders needed to sustain community building efforts. The small grants concept has grown to attract family foundations, many of which are quite interested in supporting initiatives in communities in which they have operated businesses. Government agencies have also become interested in small grants projects as a means of augmenting other public investments or leveraging private support. In Aurora, IL, for example, a mini-grants program was established under the Office of City Manager as means to foster cooperation and collaboration among neighborhood groups, form a collective identity, and make the types of changes considered important by residents. Although the Aurora program distributes only \$40,000 in grants, it allows the city to leverage matching funds from many sources.

The Community Foundations and Neighborhood Small Grants Program, a multi-year initiative underwritten by the Charles Stewart Mott Foundation², provides a good example of the intent of many small grant programs that target low-income neighborhoods. The four primary objectives of the initiative include:

- 1) increasing the base of resident participation and leadership in developing solutions to neighborhood problems;
- 2) increasing the capacity of neighborhood organizations to plan and implement neighborhood strategies;
- 3) increasing the linkages between neighborhood organizations and other institutions capable of contributing to community improvement; and
- 4) increasing the financial and other resources available for neighborhood self-help efforts (Scheie 1997b).

While the strategies used by any one foundation or sponsor to operationalize its philosophy and realize its goals may vary, there are some common elements or issues that small grants initiative sponsors typically face. These include:

Sponsorship. Understanding the level of involvement of the funder or sponsor in the small grants process is of critical importance, as is understanding where the small grants program fits within the funder's overall objective. It is also important to understand the relationship between the sponsor and the community. Defining and building these relationships are the cornerstones of the small grants process.

² There appears to be a dearth of literature that analyzes mini-grant programs in the aggregate. As a result, this section of the report is informed by the Mott Initiative in general, as well as the work of Rainbow Research in documenting and evaluating this initiative in particular.

Program Philosophy/Goals. It is important that the philosophy and goals of the small grants program be clearly formulated. They provide the essential foundation upon which programs and operations rest, and allow the organization to develop responsive strategies for accomplishing its objectives.

Context of Small Grant Program. Determining the target area of the small grants program is key to meeting goals. The target area might be at the block level, or it might focus on a specific racial or ethnic group or income level.

Community Involvement/Ownership/Advisory Structure. Determining the level of community involvement and ownership is crucial to the success of a small grants program. The mechanism for community involvement must be credible to the community.

Staffing. Despite the high level of commitment exhibited by most volunteers, a small grants program does not run by itself. Identifying the requisite skill sets required at the staff level and securing the necessary resources to recruit staff is essential, as is ongoing staff development.

Grantmaking Policies. Developing protocols and procedures for administering a small grants program is an early first step. This includes devising an application, developing a distribution strategy, establishing eligibility requirements, standardizing a review process, setting award amounts, determining the number of funding cycles, and determining technical assistance.

Funding Partners. As small grants programs grow, there is often a need to solicit additional funding. Care must be given to how these partners are engaged and integrated into the initiative.

Technical Assistance. Generally, some form of technical assistance is necessary to better build the capacity of applicants and grantees. Small grants administrators may need to evaluate the effectiveness of making technical assistance a voluntary or mandatory activity.

Sustainability. If the sponsors and participants feel the small grants program is accomplishing its goals, then it is likely that they will want the program to continue. In addition to resource questions, issues of sustainability may involve recruiting additional sponsors, getting local political buy-in, and modifying long-term plans and outcomes.

Evaluation/Impact. In addition to having a clear road map to guide the scope of an evaluation, how evaluations are conducted, how information is processed, and how it is distributed are critical considerations in understanding the impact of a small grants initiative.

The application of these elements is explored in an examination of three small grants programs that offer valuable lessons for low-income communities.³ The Community Foundation of Silicon Valley's Neighborhood Grants Program has expanded to include a youth-led grantmaking component that is connected to its youth development program. The Community Foundation of Greater Flint created three categories of funding based on an organizational budget. The Glendale Neighborhood Partnership offers a glimpse into a city-sponsored small grants program. These examples are discussed in the context of the key elements described above.

Community Foundation of Silicon Valley

The Community Foundation of Silicon Valley is committed to the renewal of neighborhoods and believes that the power to transform them and shape their future lies in strengthening the civic participation of individuals. In 1991, with an infusion of funding from the Charles Stewart Mott Foundation and additional support from local funding partners, the Community Foundation began investing in grassroots leaders and neighborhood efforts through its Neighborhood Grants Program (NGP).

The mission of NGP is to promote the development of healthy, self-reliant neighborhoods in low-income areas in Santa Clara County by providing small grants to new and existing neighborhood groups. NGP accomplishes this by directly supporting residents in an attempt to galvanize collective, community-based solutions to local problems. The program provides grants for operations and technical assistance to resident-based groups to address neighborhood conditions and issues.

To facilitate resident involvement in NGP, a 12-member Neighborhood Advisory Committee was formed. In addition to resident members, foundation board representatives serve on the committee. The committee has two major tasks: (1) to serve as a liaison between neighborhood groups, and (2) to make funding decisions. The Neighborhood Advisory Committee's funding recommendations are referred directly to the Community Foundation board.⁴ The NGP is staffed by a full-time program officer who reports to the associate director of the Foundation.

Organizations seeking funding must demonstrate that their projects are neighborhood-based and -initiated and implemented by residents living in that neighborhood. They must also meet one or more of the following criteria:

³ These examples were drawn from the Rainbow Research work on small grants. See David M. Scheie et al., *Mobilizing to Strengthen Neighborhoods: Profiles of 13 Neighborhood Small Grants Programs* (Minneapolis, MN: Rainbow Research, 1997).

⁴ Community foundations are legally required to maintain final grantmaking authority over all funds in their portfolios. Many community foundations use advisory committees comprised of non-foundation representatives as a means of incorporating diverse opinions and approaches into their decision-making processes. Generally, community foundations honor the recommendations of their advisory committees, including those that make distribution decision. However, they do have final discretion.

- Self-Help - the residents affected by the issues are involved and benefit from the proposed activities;
- Diversity - the group actively seeks to involve residents in the organization's activities;
- Cooperation - the proposed activity brings people together to address community issues and solve problems;
- Self-Sufficiency - the effort provides an opportunity for neighbors to take greater control of and responsibility for what goes on in their neighborhood; or
- Longevity - the group plans to play a key role in the future of the neighborhood.

Additional eligibility criteria require new grantseekers to attend a pre-application workshop. Once a grant has been awarded, grant recipients are required to attend four training sessions aimed at building organizational development skills in the areas of planning, budgeting, administration; neighborhood organizing; fundraising, and financial management. Initially, Foundation staff provided technical assistance. Subsequently, the San Jose Nonprofit Center was hired to provide this assistance.

NGP provides support for a range of activities, including: neighborhood improvement projects; community projects involving youth; public safety; street fairs; block parties; multi-cultural arts events; economic development; small scale parks; affordable housing; or youth self-help efforts. Grant size ranges from \$1,000 to \$10,000. There are three funding cycles per year. Capacity building grants are also available to neighborhood groups applying for repeat funding to attend workshops or special training in areas such as board and leadership development.

The Neighborhood Grants Program has reportedly invigorated Santa Clara County organizations. Prior to the program, the neighborhoods in the county were poorly defined and relatively voiceless. Now, more than 30 neighborhood groups, funded through NGP, work together collaboratively under the United Neighborhoods of Santa Clara County (UNSCC). This umbrella association is taken seriously in the local political arena. The Foundation is currently working to create an endowment for UNSCC to ensure long-term neighborhood development.

In 1994, the NGP was expanded to include the Youth In Philanthropy program, which includes a youth grantmaking component. A 10-member youth committee, comprised of high school students, represents a cross-section of young people from different communities, many of whom are serving as leaders for the first time. Youth are recommended for the Youth in Philanthropy program by schools and neighborhood organizations. The committee meets bi-weekly over a six-week grant review and recommendation period, during which time they are taught about philanthropy, conducting outreach to potential applicants, applying grant guidelines, etc. During

the grant review process, youth review the applications, interview the applicants, and make recommendations to the foundation's board trustees.

In 1998, 50 applications were received by the youth council. Applications are submitted under the auspices of a community-based organization, but the proposal must be written by a young person. Grants between \$100 and \$1,000 are made for community- or school-based projects. Grants have been made for a range of activities, including: a summer arts festival designed to showcase the talents of young artist; workshops organized by students on such topics as domestic violence, teen pregnancy, parent expectations, and finding the right friends; and a community barbecue and cleanup. Thus far, 17 youth have received grants. After the projects have been completed, the youth committee organizes a recognition ceremony for grantees, an important event since many of the youth have never been acknowledged for their contributions to their communities.

The Community Foundation of Silicon Valley is committed to the Youth In Philanthropy program for the long-term and views it as an instrumental way to get young people involved in community affairs. Not only do they learn about philanthropy, but they are also engaged in activities that generate positive youth outcomes. This year, the Youth in Philanthropy program received a Philanthropic Youth Group Award from the National Society of Fund Raising Executives.

The Community Foundation of Greater Flint

The Community Foundation of Greater Flint serves Genesee County, Michigan, an area that has been adversely affected by deindustrialization and the resulting economic and social dislocation. The community foundation is concerned about the conditions faced by Genesee County residents and has targeted much of their giving to neighborhood renewal and resident empowerment.⁵ The City of Flint and various local banks joined the foundation in this effort. The Neighborhoods Small Grants Program was created to build leadership and strengthen neighborhood groups working in low- and moderate-income communities of Genesee County. Grants and technical assistance are provided for a range of activities designed to enhance the organizational skills and capacity of grassroots groups. There are four funding cycles.

A 15-member advisory council oversees the Neighborhood Small Grant Program. In addition to Foundation staff, it includes residents either living or working in low- to moderate-incomes areas of Genesee County. The advisory council's primary responsibilities include: developing program guidelines and policies; conducting site visits of applicants and grantees; and making grant recommendations to the community foundation's board. The Small Grants Programs is staffed by the president of the community foundation, who serves as director of the mini-grants program,

⁵ This section is drawn from a number of mimeographed publications by and about the foundation, for which full citations were unavailable.

and a foundation program associate. They provide technical assistance to the council and grantees. Grantees may also access technical assistance through other foundation activities. In order to qualify to apply for a grant, grantees must accept technical assistance in preparing their proposals.

Grantseekers must demonstrate that their projects meet at least one of the following goals:

- improve neighborhood involvement in developing strategies designed to benefit low- and moderate-income residents;
- identify potential neighborhood leaders and help them acquire the necessary skills to realize their potential;
- provide training and technical assistance to organize neighborhood residents, and build their capacity to define and resolve local problems;
- involve residents in organizations that address neighborhood problems, and interact with other communities to address common concerns;
- support activities for and among all ages in neighborhood settings; and
- involve area residents in neighborhood institutions, such as local schools.

Along with these criteria, implementation of the program or activity must rely primarily upon volunteers. The types of projects funded include projects that enable residents to control or influence future development in their neighborhood. For example, a community coalition comprised of two blocks hosted a community summit and created a five-year neighborhood revitalization plan. This workshop was attended by over 300 businesses and community leaders, and the plan serves as the basis for many of the city-sponsored revitalization efforts.

The Neighborhood Small Grants programs has three funding levels:

Level 1 is for new or emerging groups. Grants are limited to \$2,500 and must include technical assistance. Grantseeking organizations must be less than 18 months old, have at least ten active members, and never have received a grant before.

Level 2 has a limit of \$5,000 and may or may not involve technical assistance. Groups eligible to apply at this level may have some fund raising experience. They must also have a proven record of success, be in good standing with the foundation through a previous grant, and have a detailed plan of action for their project.

Level 3 grants are limited to \$7,500 and may include technical assistance. At this level, collaboratives of organizations may apply for funding. These groups may be well-established

organizations or agencies, but they must rely primarily upon volunteers to implement the project. Similar to *Level 2*, applicants must submit a detailed action plan, have a proven record of success, and be in good standing with the foundation.

According to foundation staff, this tri-level giving approach allows it to build relationships with the organizations while helping them build their organizational capacity by presenting increasingly complex grant selection criteria. The foundation is interested in strengthening the technical assistance component of the Small Grants Program. To this end, in conjunction with the University of Flint, it will sponsor a training institute. It hopes that this will provide a base of technical assistance providers.

Although the Neighborhood Small Grant Program must contend with many neighborhood issues, positive impacts are being observed. Many neighborhood coalitions have developed as a result of the NSGP. These coalitions are struggling with concerns that are broader than just their block or immediate area. In an effort to continue such activities, the Community Foundation of Greater Flint is creating a permanent endowment so that the small grants can continue indefinitely.

Glendale Neighborhood Partnership

In 1994, the City Council of Glendale, Arizona, began implementation of a five-year strategy to redevelop and revitalize older neighborhoods. As part of this strategy, the City Council annually allocates \$1 million in general funds to implement projects proposed by neighborhood groups. Known as the Glendale Neighborhood Partnership, its objectives are to:

- (1) provide a strategic partnering approach to the city's delivery of municipal services;
- (2) help the neighborhoods identify their vision and needs; and
- (3) better coordinate city and neighborhood actions to address current neighborhood problems and concerns.

The overall objective is to have residents, religious institutions, schools, businesses, community leaders and other stakeholders work together to promote change in their city. In order to accomplish this, the City Council and Mayor did two things. First, they created a Neighborhood Partnership Office to assist Glendale residents in identifying concerns and establishing neighborhood groups. This office provides both financial and technical assistance to any neighborhood that expresses an interest in organizing and working to create a greater sense of community. Secondly, the City Council appointed an 11-member Commission on Neighborhoods, which includes resident representatives. The Commission's responsibility is to develop and recommend general policies, strategies, and programs related to the development, improvement, and revitalization of Glendale neighborhoods. Glendale citizens are encouraged to share their ideas and concerns with this commission.

Glendale has two grantmaking programs – Neighborhood Projects Grant and the Small Grants Program. Neighborhoods interested applying for grants must register with the Neighborhood Partnership Office. This gives them dual eligibility to apply for grants under either program. The Neighborhood Project Grants are specifically aimed at large scale community improvement projects, such as street widening projects or neighborhood entry-way monuments. These type of requests require extensive planning and technical assistance from the Neighborhood Partnership Office. There is no imposed grant limit and the grants are offered twice per fiscal year. Neighborhoods applying for this grant must be at least 15 years old, and the application process must include a high level of neighborhood input.

The Small Grants Program provides ongoing funding opportunities for smaller neighborhood enhancements, projects or events. It is designed to encourage older neighborhoods to combine their resources with those of the City to promote community change. Prior to receiving a grant, the neighborhood must secure a one-third match. Grant amounts are limited to \$2,500, and projects must be completed within six months. This program has four funding cycles per year.

In addition to these two grant programs, the Neighbor Partnership Office prints and mails neighborhood newsletters or meeting notices once every three months. It also provides assistance with neighborhood clean-up projects; arranging meetings with City staff; conducting research on neighborhood issues; and identifying resources to help address those concerns. The Neighborhood Partnership Office also attempts to develop networks and information sharing among residents. The Glendale Neighborhood Partnership allows residents to organize and develop a greater sense of empowerment in addressing neighborhood issues of concerns.

Lessons Learned

The small grants programs examined above offer a number of lessons that may be useful to urban neighborhoods and local funders that are looking for creative ways to engage residents and build communities. This section outlines lessons from these programs, draws on the comparative findings from the Rainbow Research assessment of the 13 Mott Foundation grantees (Scheie et. al., 1997b),⁶ and incorporates finding from Section II.

CONNECTING MINI-GRANTS TO BROADER FOUNDATION AND NEIGHBORHOOD FRAMEWORKS. Small grants programs benefit from being connected to a foundation's broader grantmaking program. Not only does this give the mini-grant participants a sense that they are part of a

⁶ All of the 13 Mott-funded small grants programs created advisory boards or committees; the average size was 14 people. Community foundation representatives had seats on these committees in all but one case. In addition to foundation representatives, the committees included community residents and funding partners. The size of the small grants programs ranged from \$98,000 to \$316,000. The average program was \$220,000. Individual grants ranged from a low of \$80 to and a high of \$11,000. The average grant was \$3,500. The average number of grants made was 64 per year. Many programs made multiple grants, as well as repeat grants, to single organizations.

grander vision of the community's well being; it also exposes the small grants program to the array of program supports available through the foundation and its network. In the case of the Community Foundation of Greater Flint, for example, the program officer is the conduit of information about other foundation programs and external resources.

The majority of the 13 programs studied by Rainbow Research assigned community foundation staff to work with the small grants programs on at least a part-time basis. These staff typically had other foundation responsibilities. Additional staff time was added to many of the programs as they grew. These arrangements provided a degree of continuity across the foundation's programs, linking the objectives of the small grants programs with broader foundation objectives. However, only four out of thirteen small grants programs were explicitly connected to the foundation's broader giving programs.

It is also important that neighborhood small grants programs are connected to other neighborhood activities. Helping grantee organizations connect to other community institutions, such as churches, schools, service providers, employers and others, is an important objective. This increases buy-in to the idea that the goals of the small grants program are part of a broader set of community-wide goals, and increases the depth of community networks necessary for neighborhood vitality.

Quite a number of the community foundations surveyed in the Rainbow Research work understood the importance of building a permanent endowment to support their work in neighborhoods. As community foundations, they have a number of tools available to them to solicit support from other institutions to build permanent endowments for these initiatives (Kingslow and Horton 1998).

RELATIONSHIP BUILDING. It is important that face-to-face interactions between the foundation and community be maximized – that the sponsor learn about the community and the community about the sponsor. Advisory councils, the grant review process, retreats, and award ceremonies provide excellent vehicles for relationship building. In the example of the Community Foundation of Silicon Valley, the Advisory Council and the Youth in Philanthropy Committee afforded this linkage since the foundation and community members both participated in these committees and community residents and youth presented their grant recommendations directly to the foundation's board of trustees. This type of relationship building is necessary to establish reciprocal trust and long-term involvement.

NEIGHBORHOOD OWNERSHIP. Mini-grant programs depend on some level of neighborhood ownership. One aspect of ownership is decision-making authority. In one model, an advisory council was given complete authority for all grantmaking decisions. In other cases, the foundation and the community share this decision-making power – the method most common to the examples presented. In order for the community to support the goals and mission of small grants programs they must have a sense of ownership. Perceptions of ownership are affected by

the degree to which the community's voice is incorporated into the planning, structure and decision-making of the initiative.

Only three of the 13 foundations studied by Rainbow Research planned to spin off the small grants programs. This unwillingness to relinquish authority to neighborhood organizations, however, may have less to do with foundations' support for values of neighborhood ownership and self-determination, and more to do with the interpretation of their legal responsibilities under the IRS codes regulating community foundations.⁷

MANAGING THE PARTNERSHIP. Central to the concept of neighborhood small grants programs is the idea of partnership between the sponsoring foundation or agency and the community. This is often a difficult balance, particularly in neighborhoods that have been neglected historically. For many observers, forging these partnerships is dependent on the posture assumed by the foundation. It is important that foundations not be too assertive or directive, particularly if one of the goals is to allow community organizations and residents to assume ownership of the process. At the same time, however, foundations must provide sufficient nudging to ensure that the process continues moving forward without appearing to be patronizing.

This is particularly challenging in the context of a foundation's need to insure satisfactory measures of accountability. There is a tendency for foundations to try to address this through maintaining a presence and/or degree of control over the initiative. Many of the small grants programs are staffed by foundation personnel and have foundation board members on their governing bodies. This may not be problematic in and of itself. However, to the extent that these players also assume technical assistance responsibilities, difficulties may arise that may interfere with the partnership. It is difficult enough to build the degree of trust and openness needed for effective technical assistance delivery; harder still if the provider is perceived as representing the interests of those that ultimately make key decisions.

PROVIDING ASSISTANCE. The budgets of the 13 small grants programs noted above include funding for technical assistance (TA), which in most cases was a separate line item. An average of \$60,000 was spent on TA, most commonly in the areas of organizational development,

⁷ Community foundations are classified as public charities. As such, they receive gifts from a variety of sources, and are required to raise new money each year. Income to community foundations is typically pooled in funds that are organized according to a variety of asset building and distribution mechanisms. Some of these funds are organized according to the donor's intent, such as a fund to support organizations in a particular field of interest or a fund that distributes grants to organizations specified by the donor. However, community foundations have final authority over how grants are distributed; meaning they have the legal authority to override a donor's preferences (through this is rare). Some community foundations have interpreted this to mean that they must maintain firm control over all funds in their stewardship. Other community foundations have used *cy pres*, the interpretation of the donor's original intent, to avoid program proposals that are not to their liking, even though the community foundation actually has wide discretion to make distribution decisions. On the other hand, many community foundations have used their discretionary power to support projects and organizations that fall outside of the interests of other donors, or to support high risk efforts that may not generate significant support from other funders.

leadership development, financial management, fundraising, and community mobilization. In many cases, participation in TA programs was a prerequisite for receiving grant support, particularly for first time applicants. In all but one case, TA was provided by external providers. In many communities, community foundations have underwritten the apparatus of TA providers and institutions that specifically work with small and emerging organizations, making these connections easier to facilitate.

Questions are often raised about how technical assistance needs are determined, by whom, and who selects the providers assigned to work with a neighborhood organization. These can sometimes be contentious issues. However, the responsibility cuts both ways; utilizing TA implies a certain level of responsibility on the part of the organization requesting assistance. While it may not be able to specify the precise type of assistance required, it must have the facility to offer the TA provider a clear idea and statement of the problem it seeks to solve. Providers, on the other hand, must be equipped to distinguish the multiple needs an organization may have, recognizing that small grants programs typically have dual levels of TA needs – at the individual grantee level and the organizational or advisory council level. Not all TA providers are equally equipped to provide the range of services needed. A key role for foundations is connecting small grants programs and grantees with a range of TA providers from which to select assistance.

IV. Conclusions and Recommendations

As a community building strategy, small grants programs often take time to produce significant changes in the social fabric of communities. On the other hand, for very small amounts of money, visible changes can be accomplished in short periods of time. Foundations that support these initiatives must be willing to invest over the long-term. While arrangements that cede grantmaking authority to neighborhood residents may prove desirable, the sponsoring foundation should find ways to otherwise remain connected to the initiative.

The inclination of small grants programs to quickly ramp up the grantmaking activities is not uncommon, particularly when they have achieved early success in fundraising, creating a grantmaking pool, and stimulating a demand by increasing public awareness about their program. However, caution should be exercised. There is value to an emerging institution pacing itself, giving itself time to fully process its mission and goals and plan its strategies for achieving them. Having the time, resources, and patience to undertake planning and capacity building will promote a stronger initiative, as opposed to quickly responding to externally-driven demands.

Additionally, small grants programs and their funders must determine what their relationship is to each other and determine appropriate lines of authority as the program evolves. They must also have a clear sense of what this evolution will look like and how it will proceed. Specific recommendations are as follows.

1. To effectively frame organizational development needs, small grants programs must be grounded in a clear mission and vision. To facilitate this, it is useful to build connections with technical assistance providers that help emerging organizations build their institutions. Small grants programs should also develop ongoing strategies for staff and board development and have sufficient resources available to support technical assistance and capacity building needs.
2. It is critically important that small grants programs be grounded in the broader vision(s) for their neighborhoods. It is also useful for them to be aware of and connected to other community and economic development activities that their sponsors are supporting. Developing mechanisms for the ongoing exchange of information and program linkages is critical.
3. Small grants programs should conduct inventories of the voluntary associations in their neighborhoods, not only to gain a better sense of the breadth of these associations, but also to catalogue their focus areas, capacities and aspirations. This information should be compiled in a database and mapped. One objective of this exercise is to develop strategies to engage these groups in broader community objectives through the small grants program or other programs. Similarly, small grants programs should inventory the capacities and skills of its members.
4. Small grants programs should develop strategies to build the capacity of voluntary organizations in a range of technical and organizational ways. This would extend beyond its grant recipients to include other associations identified through an inventory and mapping exercise. This exercise should also facilitate connections between associations with common interests or those operating in particular neighborhoods within a wider community.
5. Building connections between voluntary associations should not be limited to the program areas of the small grants initiative, nor should they stop at the associational level. It is important to strengthen the connections of these groups with other institutions working in the target community (CBOs, CDCs, government agencies). Foundation involved in multiple initiatives in a community can play a vital role in promoting relationship building and program development.
6. It is very important that the program staff and volunteers participate in the national and regional networks of small grants programs. This will help facilitate staff and board development objectives and build capacity as they learn from peers and keep abreast of best practices.
7. The funders of small grants programs should be clear about its "givens," its expectations, and what it hopes to derive from its partnership. They should be explicit in their policies and actions, while at the same time encouraging of the process to build community ownership of small grants programs.

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